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## TECHNOLOGY CLUSTERS OFFER BRIGHTER FUTURE FOR MAINE'S ECONOMY

## **Report Highlights Importance of Technology Clusters**

GARDINER, Maine - The Maine Technology Institute and the Office of Innovation of the Maine Department of Economic and Community Development (DECD) today released the findings of the report, Maine's Technology Sectors and Clusters: Status and Strategy. The report found that Maine's effort to grow a more technology intensive economy is well underway. While there are weaknesses and challenges, the foundations are strong and can be further supported, particularly by the development of technology clusters.

Commissioner John Richardson of DECD noted the importance of the report that "provides evidence of firm foundations in research, growing information networks that transmit knowledge and skills within Maine and increased commercial success." While the report noted the need for more workers with specialized training, particularly with advanced degrees, he explained that "there is real potential for growth in many key markets, even traditional industries like forest products and agriculture. Creating and seizing opportunities particularly through cluster development may be a long road, but one on which Maine has a respectable start and commitment to travel."

Expanding on a 2002 report on clusters, the report was funded by the Maine Technology Institute and the Office of Innovation. It was conducted by the Maine Center for Business and Economic Research at the University of Southern Maine in collaboration with the Battelle Institute, Planning Decisions, Inc., and PolicyOne Research, Inc. The 2006 Brooking Institution's report for Grow Smart Maine also designated clusters as a key to economic development.

Betsy Biemann, president of the Maine Technology Institute (MTI), explained that "Clusters are the mix of individuals and institutions in a region that are able to consistently generate new ideas and transform them into commercially successful products. It is exciting to see that Maine investments in innovation and cluster development over the last decade have helped to nurture the 16 sustainable and emerging clusters identified in the report." Examples of clusters include cultured fish and shellfish, composite materials, diagnostic materials, geospatial analysis, and pulp and paper. She noted that these characteristics occur in varying degrees and stages of development in and across all of the state's seven technology sectors: biotechnology, composite materials, environmental technology, forest products and agriculture, information technology, marine technology and aquaculture, and precision manufacturing.

This report delves deeply into the nature and potential of clusters and technological innovation in Maine, demonstrates their relationships and potential within the state's seven technological sectors, recognizes significant challenges, and follows with specific recommendations to support technological innovation through the promotion of clusters. Additional recommendations include providing dependable research and development funding for technology innovation and addressing the needs for specialized skills in Maine's clusters.

Dr. Catherine Renault, director of the Office of Innovation (OOI), commented on the policy implications for the state. "Clusters should be viewed in terms of how they will help create viable businesses, contribute jobs and add to the Maine economy. To this end, our efforts need to focus on facilitating knowledge and skills transfer and entrepreneurship—or said another way, collaboration. It's the networked interrelationships that matter greatly and should be stimulated."

Dr. Renault cited two current examples of cluster support. To help promote the development of clusters, MTI offers competitive Cluster Enhancement Awards of up to \$200,000 to stimulate and support the formation and growth of technology businesses. How Maine's innovation economy might be developed or supported is also an important scoring consideration in the competitive awards for the new Maine Technology Asset Fund (MTAF). Information about Cluster Enhancement Awards and MTAF awards can be found on MTI's Web site.

Maine's Technology Sectors and Clusters: Status and Strategy is available as a four-page introduction, a 16-page executive summary with more detail, and as the full 216-page report at MTI's Web site, <a href="www.mainetechnology.org">www.mainetechnology.org</a>, and the Office of Innovation's Web site, <a href="www.maineinnovation.com">www.maineinnovation.com</a>. The full report may be downloaded and printed in separate sections as introduction, individual chapters and recommendations.

MTI was created by the Legislature in 1999 to encourage, promote, stimulate and support research and development activity leading to the commercialization of new products and services in the state's technology-intensive industrial sectors. Programs are designed to enhance the competitive position of those sectors and increase the likelihood that one or more of the sectors will support clusters of industrial activity and create new jobs. Visit <a href="https://www.mainetechnology.org">www.mainetechnology.org</a> for more information.

The Office of Innovation was established by the DECD in 2004 to coordinate the state's efforts in research and development and encourage collaboration among its higher educational and nonprofit research institutions and the business community. Visit <a href="https://www.maineinnovation.com">www.maineinnovation.com</a> for more information.